(b) The main recommendations are of a macro nature and relate to changes in infrastructure, better technology, larger scale of production, changes in policies including those pertaining to fiscal support. The major objectives stated in the report include significant increases in the exports of agricultural commodities including marine and meat products.

(c) The Government has taken note of the recommendations for appropriate action as feasible.

Sale of Products of Units situated at Free Trade Zone

489. SHRI VIREN J. SHAH : Will the Minister of COMMERCE be pleased to state :

(a) what is the current policy of Government for permitting sale of a portion of the products of a unit situated at Free Trade Zone to Domestic Tariff Area;

(b) whether it is a fact majority of the units at Kandla Free Trade Zone are not being given the concession of sale of a portion of their products to the Domestic Tariff Area and if so, what are the reasons therefor;

(c) how many of the total operating units at Kandla are availing this concession; and

(d) what corrective steps are being taken in the matter of ?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU) : (a) In terms of current Import-Export policy, the units in the Export Processing Zones are permitted, on a case by case basis, to sell upto 25% of their production in the Domestic Tariff Area on payment of applicable duties. Goods manufactured in Free Trade Zones/Export Processing Zones are also allowed to be sold in Domestic Tariff Area against valid import licences.

(b) to (d). Permission for domestic sale is allowed by the Development Commissioner on application by the units. Four units in Kandla Free Trade Zone have requested for permission to sell in the Domestic Tariff Area under the policy relating to sale upto 25% of the production. While one unit has already been permitted, the requests of other units pre under consideration. One unit has applied for and has been permitted sale in DTA against valid import licence.

Apparel Exports Promotion Council's Representation Against New Policy

490. MISS SAROJ KHAPARDE: Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Apparel Exports Promotion Council has represented to Government against the discriminatory policy being followed at present favouring the large export units;

(b) whether it is also a fact that in the new Export/Import Policy the suggestions received from the garment industry has not been incorporated; and

(c) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN) : (a) The Apparel Export Promotion Council has represented against the alleged discriminatory Policy being followed at present favouring the large export units. However, the Policy is not discriminatory in nature. The Small Scale Sector continues to get special treatment in the new Policy as well. IRMAC Scheme which is meant for servicing the import requirements of indigenous industry has been

simplified so that the Small Scale Sector will now be able to avail of this benefit without the need for import licences in their favour. A special import facility for recognised service centres has been introduced in the new Policy. The new Policy has continued with earlier provisions of giving double weightage to exports of the products manufactured by the Small Scale Sector for grant of recognition as Export House/Trading House. This facility is also available for grant of recognition as State Trading House.

(b) The suggestions received from various quarters were duly considered while formulating the policy. The suggestions which were found acceptable have been incorporated.

(c) Does not arise.

Increase in the Modernisation Cost of Durgapur Steel Plant

491. SHRI RAM AWADHESH SINGH : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether it is a fact that Durgapur Steel Plant's modernisation design was originally prepared by Mecon at a cost of Rs. 900 crores, which could lead to an increase of one million tonnes of steel production per annum ;

(b) whether it is also a fact that Mecon was bypassed and final contract was jointly signed by a multinational company of West Germany and Russia forming a consortium at a cost of Rs. 2667 crores ;

(c) whether it is also a fact that TISCO has modernised and planned to increase steel production by 1.7 million tonnes at a cost of Rs. 843 crores in three phases whereas the final increase in steel production is below 0.7 million tonnes in Durgapur Steel Plant after modernisation; and

(d) if so, what action Government propose to take against SAIL authorities and Government officials ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI) : (a) and (b) No, Sir. The Detailed Project Report prepared by M/s. Metallurgical & Engineering Consultants (India) Ltd. (MECON) envisaged modernisation of Durgapur Steel Plant (DSP) at a total cost of Rs. 1357 crores but no increase in name plate capacity of 1·6 MT was envisaged. In fact, MECON are the prime consultants for the ongoing project. The definitive cost estimates prepared by SAIL, jointly with MECON, have put the cost of the modernisation project at Rs. 2667.4 crores. MECON were associated with the finalisation of contracts to various tenderers for the project.

(c) No, Sir.

(d) Government will take appropriate action if any serious irregularity becomes evident.

Project Cost of Pepsi Foods

492. SHRI H. HANUMANTHAPPA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Pepsi Foods has spent Rs. 5.97 crore on pre-operative expenses and Rs. 1.459 crore on contingencies and has a working capital expenditure of Rs. 3.919 crore in 1989; and

(b) whether the above expenditure has been included in the project cost of Rs. 50 crores?